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California, Mining companies

MEMORIAL

OF

GOLD AND SILVER MINING COMPANIES

OF

CALIFORNIA AND NEVADA TERRITORY,

PRAYING

That the act of the Nevada territorial legislature entitled "An act to provide for the formation of corporations for certain purposes," may not be confirmed.

FEBRUARY 6, 1863.—Ordered to lie on the table, and be printed.

GENTLEMEN: The undersigned, president and directors and stockholders of companies incorporated under the laws of the State of California, beg to address you, as their representatives in Congress, upon a matter of much importance to the prosperity of the State and the citizens thereof.

A bill has been passed at the late session of the Nevada territorial legislature entitled "An act to provide for the formation of corporations for certain purposes," which contains, among other provisions, the following:

"SEC. 26. All corporations heretofore formed under the provisions of acts of incorporation in other States or Territories, and holding or owning property within this Territory of such a character as specified in section first of this act, and managed by a board or boards of trustees or directors, having their principal place of business outside the limits of this Territory, are hereby required to move their places of business, principal offices, books, and papers, heretofore kept and necessary for the transaction of such business, to some point, to be designated by said corporation, within the limits of this Territory, within six months after the passage of this act, or otherwise such corporation or corporations shall be disregarded in law as a corporation, and the corporators thereof treated as tenants in common or joint tenants," &c., &c.

The immediate effect of this legislation has been seriously to impair the value of investments which the enterprise and labor of citizens of California had, at considerable risk, placed in a condition to be at

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once advantageous to the best interests of Nevada Territory, and reasonably profitable to those engaged in them. Its ultimate effect, if allowed to stand, will be practically to confiscate property legitimately acquired by your constituents, and to deprive them not only of all benefit otherwise derivable from their labor and enterprise, but of the capital actually expended in the development of the silver mines of Nevada Territory.

The history of the development of these mines exhibits in a marked degree the hardship and unfairness of this legislation.

Unlike the gold deposits of California, the silver mines of Nevada Territory require a large expenditure of capital before they can be made available for any purpose. At the time of their discovery, in 1859, the people of the Territory could not, either in their individual capacity, or by combining together in companies, furnish this capital. Had it depended upon them the mines would have remained undeveloped to this day.

Capital was invited from abroad, and especially was this invitation urged upon the citizens of California. But the citizens of California could not, as individuals, furnish the requisite aid. It was only by forming companies that the end could be accomplished.

The Territory of Nevada not being then organized, it was impossible to form these companies under the laws of the locality where the mines are situated. Nor could the laws of any State in the Union offer to the people of that Territory greater security than do those of California.

As you are aware, the constitution of this State prohibits the granting of special charters. Companies are incorporated under general statutes. No company can obtain privileges or avoid restrictions which are not equally applied to all other companies. And the best evidence that the people of Nevada have nothing to complain of in this respect is found in the fact that the present corporation law of that Territory is, with the exception of the proscriptive features here complained of, almost a copy, *verbatim*, of the law of California.

Accordingly the citizens of California formed corporations under the laws of their own State, and thereby combined sufficient capital to develop the mines of Nevada and place them in a position to be worked profitably.

They were fully aware of the risk of this undertaking, growing out of the fact that the mines might turn out valueless, a result which has actually occurred in many instances; but they did not for a moment suppose that when they were about to reap the legitimate reward of their exertions, and the risk they had incurred, the people of the Territory would attempt to deprive them of it by hostile legislation.

The course of the territorial legislature is in striking contrast to that adopted by California. Companies were formed by special charter granted by foreign governments, and other States of the Union, to work the mines of California. They have always been protected by just and proper laws of this State. Foreign capital has enjoyed all the security afforded to capital furnished by our own citi-

zens, and the State and country at large have realized a proportionate benefit from that policy.

But it is needless to state at greater length the unfairness of the legislation complained of. The act of the people of Nevada speaks for itself. It is an attempt to appropriate to themselves the benefit of the labor, enterprise, and risk of others. Having invited and encouraged the citizens of California to undertake the development of the mines in their Territory, they have waited until the moment of fruition to attempt to seize the prize which we have rendered valuable. We say attempt, for we contend that it was not the intention of Congress to confer upon the territorial legislature the power to pass acts of the character complained of. We therefore submit the matter to you as our representatives, with the request that you lay it before Congress in such form as you may see fit, and obtain such remedy as Congress can grant.

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